

Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01 FAA-00 L-03
IO-13 /056 W
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R 121308Z JAN 77
FM AMEMBASSY MANAMA
TO SECSTATE WASHINGTON DC 4078
INFO AMEMBASSY LUXEMBOURG L
AMEMBASSY REYKJAVIK

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E.O. 11652: N/A
TAGS : EAIR, IC, BA, LU
SUBJECT : CIVAIR: ICELANDIC CHICAGO-BAHRAIN SERVICE

REFS : MANAMA 012 AND PREVIOUS

1. EINAR AAKRANN, DIRECTOR, LOFTLEIDIR/ICELANDIC AIRLINES, AND LOCAL ICELANDIC REP CALLED ON CHARGE JANUARY 11 IN ORDER TO INQUIRE ABOUT THE USG INTEREST IN THE PROPOSED BAHRAIN-LUXEMBOURG-REYKJAVIK-CHICAGO SERVICE. HE CONFIRMED THAT THE GOVERNMENT OF BAHRAIN HAS CANCELLED ICELANDIC'S TEMPORARY PERMIT WHICH WAS TO BEGIN SERVICE JAN. 11. HE ADDED THAT HE HAD "LEARNED INFORMALLY" THAT THE AMERICAN EMBASSY IN BAHRAIN HAD "COMPLAINED" TO THE GOB ABOUT THE PROPOSED SERVICE. HE ASKED WHETHER THIS WAS TRUE. CHARGE REVIEWED IN SOME DETAIL THE EVOLUTION OF USG INTEREST IN THE PROPOSED SERVICE, STRESSING PARTICULARLY THE APPARENT LACK OF CONSULTATION ON THE PART OF ICELANDIC WITH THE USG (REF 76 STATE 310308).

2. AAKRANN STATED THAT NO CONSULTATION WAS REQUIRED SINCE THE SERVICE
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WAS NOT, IN FACT, BAHRAIN-CHICAGO, BUT, RATHER BAHRAIN-LUXEMBOURG-GVYKJAVIK WITH A FULL STOP AND THEN REYKJAVIK-CHICAGO. HE REGRETTEED THAT THERE HAD BEEN SOME ADVERTISEMENT THAT THE ROUTE WAS BAHRAIN-CHICAGO. HE ALSO REGRETTEED THAT ICELANDIC'S NEW YORK OFFICE HAD ADVERTISED NON-IATA RATES FOR THE FLIGHT. THAT WAS AN ERROR OF THAT OFFICE AND SHOULD NOT HAVE BEEN CONSTRUED BY

THE GOB (WHICH IT WAS) AS ICELANDIC POLICY. ITS AGREEMENT WITH THE GOB HAD BEEN TO CHARGE IATA RATES. GETTING BACK TO THE INTEREST OF THE USG, HE SAID THAT ICELANDIC HAD FILED ITS "RATE PROPOSALS" WITH THE CAB AND THAT BEYOND THAT IT NEED NOT "CONSULT" WITH THE USG SINCE THE FLIGHT WAS NOT CHICAGO-BAHRAIN.

3. CHARGE, READILY ADMITTING TO LACK OF EXPERTISE ON CIVIL AVIATION MATTERS, NOTED THAT HE UNDERSTOOD THAT USG NEVERTHELESS EXPECTED CONSULTATIONS. INTERESTINGLY IN VIEW OF CONTRARY ASSURANCES FROM GOVT. OF ICELANDIC (REF 76 REYKJAVIK 1683), AAKRANN CONFIRMED THAT ICELANDIC HAD APPLIED FOR AND RECEIVED (UNTIL UNEXPECTED CANCELLATION) PERMISSION TO BEGIN FLIGHT JAN. 11.

4. AAKRANN LAMEMTED FACT (WHICH IS FACT) THAT GOB'S EARLY SUMMER ETHUSIASM FOR ICELANDIC SERVICE HAS DISSIPATED TO A VERY GREAT EXTENT IN LIGHT OF SUBSEQUENT PAN AM AND TWA SERVICE FROM US TO BAHRAIN. CHARGE CONFIRMED TO HIM THAT FOR SEVERAL YEARS GOB HAD ACTIVELY EXPRESSED INTEREST IN MORE DIRECT AIR LINKS WITH THE US WITHOUT MUCH RESPONSE FROM EITHER PAN AM OR TWA. ICELANDIC'S JUNE REQUEST FOR THE ROUTE MAY WELL HAVE BEEN THE FIRST SERIOUS SERVICE PROPOSAL RECEIVED BY GOB. SUBSEQUENT TO THAT PAN AM REQUESTED AND GOT GOB AGREEMENT ON ONCE WEEKLY DIRECT FLIGHTS, NEW YORK-BAHRAIN AND RETURN. TWA, TURNED DOWN BY GOB ONCE BECAUSE OF OBJECTIONS TO "MILKRUN" NATURE OF PROPOSED ROUTE, HAS NOW ALSO BEEN GRANTED RIGHTS FOR NEW YORK-GENEVA-BAHRAIN FLIGHTS TO COMMENCE IN FEBRUARY. WITH THE ARRIVAL OF BOTH LIMITED OFFICIAL USE

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AMERICAN LINES, THE GOB MAY HAVE BEEN LESS ENTHUSIASTIC ABOUT THE LESS PRESTIGIOUS ICELANDIC PROPOSALS. IT WAS CERTAINLY IRRITATED WITH THE NON-IATA RATE ADVERTISEMENTS IN NEW YORK, WHICH IT HEARD ABOUT PROMPTLY (76 MANAMA 2177).

5. TO SUM UP, GOB HAS CANCELLED TEMPORARY PERMIT. ICELANDIC UNDERSTANDS THAT GOB IS NOW "RECONSIDERING" CANCELLATION ON BASIS OF AIRLINES' REASSURANCES ABOUT IATA RATES, ETC. EMBASSY UNDERSTANDS THAT GOB, AT HIGH LEVELS, HAS DECIDED AGAINST ICELANDIC.

6. ACTION REQUESTED: EMBASSY REQUESTS ANY FURTHER GUIDNACE DEPT. MAY WISH TO OFFER. AAKRANN DEPARTED BAHRAIN JAN. 11 BUT WE WOULD EXPECT HE WILL CONTACT EMBASSY LUXEMBOURG IN THE NEAR FUTURE.
BURLEIGH

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 12-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Errors: N/A
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